

## **H.4701 & H.4702 - GENERAL APPROPRIATIONS BILL & CAPITAL RESERVE FUND BILL FOR FISCAL YEAR 2014/2015**

As Adopted by the SC House of Representatives ~ March 2014

*General Fund Authorization - \$6.6 billion recurring (\$6.9 billion including nonrecurring funds)*  
*Total Fund Authorization – \$23.9 billion (\$7.9 billion, Federal Funds and \$9 billion, Other Funds)*

### Statewide Items

- *Employee Pay Raise* – The budget includes a 1.5% pay raise for all state employees, total cost \$23 million.
- *State Health Plan/Employee Health Insurance* – The state will pay the full 3.9% required premium increase, \$57 million. Plan participants will see minor increases (less than 9%) in co-pay/co-insurance amounts. *Note - \$40 million of the above mentioned \$57 million goes to school districts to cover 70% of the required premium increase.*
- *Reserve Funds* – Both the General Reserve Fund and the Capital Reserve Fund are fully funded. Total budget reserves equal 7% of annual state revenue and total nearly \$450 million.
- *Consumer Protection* - Funds another year of consumer identify theft protection services through CSID for those affected by the DOR breach, \$6.5 million.
- *Cyber Security Upgrades* - Continue to fund cyber security upgrades recommended by the State's cyber security consultant, \$14.8 million.
- *Local Government Fund* - First recurring funds increase in three years. Total allocation is the same as the current year, but the recurring base has increased \$5 million. Total allocation, \$212 million.

### K-12 Education and Special Schools Budget Subcommittee

- *K-12 Education/School District Funding* - Primary objective was to conform with Governor Haley's K-12 Education Reform Proposal. Total new funding for K-12 education was \$180 million. Base student cost is \$2,120/student (current, \$2,097/student).
  - The major piece of this reform was to overhaul the formula by which Education Finance Act funds are distributed to school districts. The new formula is derived from a recommendation of the Education Oversight Committee (EOC) and places greater emphasis on poverty, gifted students, and students requiring specialized instruction.
  - Reading - Places a reading coach in every elementary school, \$30 million and invests \$4.5 million to expand summer reading camps/programs.
  - Technology - Increases both internal and external connectivity in all school districts, \$30 million. There is \$12 million for increased digital instructional materials and \$4 million to help train teachers on how to use these new technologies in their classrooms.
- *Charter Schools* - Increases funding for charter schools by \$17.7 million. This includes a \$4 million allocation to a charter school revolving loan program.
- *Buses/Transportation* - Increases funding for both purchase and operations of the state's school bus fleet, \$20.6 million.
- *John de la Howe* - Transfers oversight and operation of the John de la Howe School to the SC Department of Juvenile Justice (H.4920 is currently on the House Calendar to make this permanent).

### Higher Education and Cultural Budget Subcommittee

- *Efficiency Study* - Includes a proviso to hire a national higher education consultant to conduct a complete review of SC's higher education system. The review will focus on improved efficiency and effectiveness, not only at the campus level, but also the statewide level, \$4 million.
- *Scholarships* - Fully funds state scholarships. Total new monies for scholarships, \$28 million.
  - A provision was also included to allow students who wish to graduate on an accelerated timeframe to claim scholarship awards during the summer academic semester.
- *Libraries* - Maintains the current allocation to local libraries of \$1.25/capita, \$1.3 million.
- *SC Technical College Board* - Total new funds \$17 million:
  - \$5.4 million - fully funds the CATT/ReadySC program.
  - \$1.5 million - creates additional stipend for students enrolled in programs with a proven workforce shortage.
  - \$2 million - dual enrollment pilot programs at Tri-County Tech and Central Carolina Tech.
  - \$5 million - Trident Tech Aerospace Training Center.
  - \$1 million - Tri-County Tech CNC (computer numerical control) program.

### Health Care Budget Subcommittee

- *Health and Human Services/Medicaid* - Conforms to the Governor's Medicaid Maintenance of Effort - \$130 million.
  - Continue to fund the South Carolina Healthy Outcomes Initiative which works to establish a free health care safety net; 100% cost reimbursement for rural hospitals; \$8 million for Federally Qualified Health Centers (FQHCs); \$2 million for free clinics; and \$3 million for FQHC capital needs.
- *Medicaid Expansion* - Does not expand Medicaid as provided in the Affordable Care Act.
- *Mental Health* - Continue to restore the recurring base for mental health services, \$10.5 million.
- *DDSN* - Wait list reduction, \$13.3 million. DDSN is required to redirect Medicaid match funds to HHS to best leverage state funds.
- *Cancer Networks* - Invests in both Best Chance (Breast Cancer) and Colon Cancer Network, \$1.5 million.
- *Foster Care Payments* - Increases monthly payments for foster care families, \$1.6 million.

### Economic Development and Natural Resources Budget Subcommittee

- *Forest Fire Fighting* - Funds 7 new forest fire fighting units, \$2 million.
- *Rural Infrastructure Grants* - Increases funding for rural community local grants, \$3 million.
  - Requires that the Rural Infrastructure Authority create both a Fall and Spring award cycle.
- *Metrology Lab* - Provides funding for site prep and construction, \$2.8 million.
- *Commerce* - Funds a number of economic development programs/initiatives with proven ROI:
  - \$37 million - Deal Closing Fund.
  - \$6 million - Site Development (LocateSC).
  - \$4 million - Research Initiatives.
- *Clemson PSA* - Equipment funding, \$3 million.
- *Tax Process System* - Funding the initial phase of the COTS tax process system, \$14 million.
- *DOR Cyber Security* - Continue to increase the cyber security posture of the DOR, \$3.5 million.
- *Port Royal Terminal* - Instructs the Port's Authority to sell the Port Royal site or transfer it to the Budget and Control Board to be sold at public auction.

### Law Enforcement and Criminal Justice Budget Subcommittee

- *State Troopers* - Funds 10 new highway troopers, \$447K.
- *DPS Vehicles* - Car replacement cycle, \$2 million.
- *Wildlife Officers* - Funds 8 new wild life officers, \$471K.
- *SLED* - Increases funding at SLED for a number of programs - alcohol enforcement, child fatality, forensics, \$2.7 million.
- *Violent Crime Prosecution* - Funding for the 16 circuits, \$1.2 million.
- *Prison Capital Needs* - \$2.7 million for capital projects at Corrections.
- *DNR License Term Conversion* - Provides funding to DNR to allow them to convert from a calendar year licensing system to a 365 day licensing system, \$2.7 million.

### Transportation and Regulatory Budget Subcommittee

- *SC Road Acceptance Program* - Primary objective is to give more local control and reduce the size of the state system.
  - Eliminates the requirement that County Transportation Committee (CTC) have to spend 25% of their C-Fund allocation on state roads and instead uses those funds as revenue available to locals who wish to assume control/responsibility of small state road segments in their jurisdiction.
- *C-Funds* - Increases funding for the CTCs, \$8.25 million.
- *DOT Capital Projects* - Provides for the construction of the Upstate Salt Shed - \$480K.
- *Rapid Response Vehicles* - Funds two rapid response vehicles at DMV, \$888K.

### Legislative/Executive Budget Subcommittee

- *Office on Aging, Lt. Governor* - Increases funding senior directed programming:
  - \$3 million - Recurring support for Home and Community Based Services.
  - \$2 million - Respite Care
- *Statewide Voting System Upgrade* - Initial funding for the new statewide voting system, \$2.5 million.
- *State Parks* - Capital projects, \$3.9 million.
- *Welcome Centers* - Transfers operation and maintenance of our state's welcome centers to PRT.
  - As part of this shift, the funding that DOT is currently using for this purpose will be reallocated to PRT. PRT is given the flexibility to use unallocated Film Incentive funds to augment this effort.
- *Rural Tourism Promotion* - Begins to build out the 'Undiscovered SC' tourism grant program, \$1 million.
- *Local Government Credit Card Fees* - Amends the strict prohibition on locals ability to charge fees for accepting tax payments via credit cards, to limiting them to charging only incurred cost associated with credit card payments.
- *Airport Grants* - Increases funding for local airport grants, \$500K.
- *State Guard Armories* - Capital projects, \$1.3 million